



# INTERNAL AUDIT DEPARTMENT



## Second Follow-Up Internal Control Audit: Auditor-Controller Claims

As of April 30, 2021

Audit No. 2039-Q (Reference 1811-F2)  
Report Date: June 8, 2021

### Recommendation Status

FIRST FOLLOW-UP		SECOND FOLLOW-UP
1	Implemented	0
1	In Process	1
0	Not Implemented	0
0	Closed	0

Second Follow-Up totals represent findings that were  
In Process or Not Implemented at First Follow-Up

## OC Board of Supervisors

CHAIRMAN ANDREW DO  
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4th DISTRICT

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2nd DISTRICT

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3rd DISTRICT

SUPERVISOR LISA A. BARTLETT  
5th DISTRICT



## INTERNAL AUDIT DEPARTMENT

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Audit No. 2039-Q  
(Reference 1811-F2)

June 8, 2021

To: Frank Davies, CPA  
Auditor-Controller

From: Aggie Alonso, CPA, CIA, CRMA  
Internal Audit Department Director

Subject: Second Follow-Up Internal Control Audit: Auditor-Controller Claims

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We have completed a follow-up audit of the Auditor-Controller (A-C) claims process as of April 30, 2021, original Audit No. 1811, dated December 30, 2019. Details of our results immediately follow this letter. Additional information including background and our scope is included in Appendix A.

Our second follow-up audit concluded A-C is in the process of implementing the one (1) remaining recommendation from the original audit. Because the recommendation is still in process, it will be brought to the attention of the Audit Oversight Committee at its next scheduled meeting.

We appreciate the assistance extended to us by A-C personnel during our follow-up audit. If you have any questions, please contact me at 714.834.5442 or Assistant Director Scott Suzuki at 714.834.5509.

### Attachments

#### Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Auditor-Controller Distribution
- Robin Stieler, Clerk of the Board of Supervisors
- Foreperson, Grand Jury
- Eide Bailly LLP, County External Auditor

# INTERNAL AUDIT DEPARTMENT

## RESULTS

<b>FINDING NO. 1</b>	<b>Policy and Procedures</b>										
<b>CATEGORY</b>	<b>Control Finding</b>										
<b>RECOMMENDATION</b>	<p>Auditor-Controller:</p> <ul style="list-style-type: none"> <li>A. Inform departments of the Accounts Payable, Payments and Refunds procedure.</li> <li>B. Consider providing departmental training regarding the Accounts Payable, Payments and Refunds procedure, live or on-line via Eureka.</li> <li>C. Consider creating a CAM for the claims/accounts payable process.</li> </ul>										
<b>CURRENT STATUS &amp; PLANNED ACTION</b>	<p><b>In Process.</b> A-C has continued to gather information for the claims/accounts payable policy and procedures and is considering whether these will be part of the County Accounting Manual.</p> <p>Draft procedures are in process, but have not been finalized due to staff shortages, which required A-C to focus on daily operations. A-C anticipates completion later this year.</p> <p>Once completed, the revised policy and procedures will be communicated to employees, possibly via training.</p> <p>Based on the actions taken by A-C, we consider this recommendation in process.</p>										
<b>AUDIT TEAM</b>	<table> <tr> <td>Scott Suzuki, CPA, CIA, CIA, CFE</td> <td>Assistant Director</td> </tr> <tr> <td>Michael Dean, CPA, CIA, CISA</td> <td>Senior Audit Manager</td> </tr> <tr> <td>Zan Zaman, CPA, CIA, CISA</td> <td>Audit Manager</td> </tr> <tr> <td>Stephany Pantigoso</td> <td>Senior Auditor</td> </tr> <tr> <td>Mari Elias, DPA</td> <td>Administrative Services Manager</td> </tr> </table>	Scott Suzuki, CPA, CIA, CIA, CFE	Assistant Director	Michael Dean, CPA, CIA, CISA	Senior Audit Manager	Zan Zaman, CPA, CIA, CISA	Audit Manager	Stephany Pantigoso	Senior Auditor	Mari Elias, DPA	Administrative Services Manager
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## APPENDIX A: ADDITIONAL INFORMATION

<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken by A-C as of April 30, 2021 to implement the one (1) remaining recommendation from our first follow-up Audit No. 1939-F, dated September 3, 2020.
<b>BACKGROUND</b>	The original audit evaluated effectiveness of internal control over the claims process. The first follow-up audit concluded A-C implemented one (1) recommendation and was in process of implementing one (1) recommendation.



# INTERNAL AUDIT DEPARTMENT

## APPENDIX B: FOLLOW-UP AUDIT IMPLEMENTATION STATUS

Implemented	In Process	Not Implemented	Closed
The department has implemented our recommendation in all respects as verified by the follow-up audit. No further follow-up is required.	The department is in the process of implementing our recommendation. Additional follow-up may be required.	The department has taken no action to implement our recommendation. Additional follow-up may be required.	Circumstances have changed surrounding our original finding/ recommendation that: (1) make it no longer applicable or (2) the department has implemented and will only implement a portion of our recommendation. No further follow-up is required.

